

pheple^{FCU} Annual Report

2023

Letter from the CEO

Dear Members of Pheple Federal Credit Union:

Thank you for coming to our 72nd Annual Meeting.

Two Thousand and Twenty-Two was a year of great change and challenge. In the midst of a rapidly changing economic landscape, we took on one of the biggest challenges a Credit Union will experience: a system upgrade. We completely revamped our core operations, brought brand-new Online Banking and Mobile App systems online, and developed new and exciting ways to serve you, while making sure our members and the Credit Union stayed financially healthy as cost of living increases impacted everyone in our community.

During the pandemic, we experienced extreme share growth and minimal loan growth as folks were being extra cautious during such uncertain times, but this year that trend reversed and we started to see share growth decrease as necessities like gas and groceries took up more and more of your household budget. I want to take a moment to remind you that no matter what happens, we are here for you. If you have a loan with us, our Member Solutions team is ready to help you with empathy and without judgement. We have several Certified Credit Union Financial Counselors on our team who are available to help you develop a budget and make a plan. We are dedicated to the financial well-being of our community and that starts with you, our member.

Part of that dedication involves bringing you the best and most convenient financial services available, and our system upgrade allowed us to do just that. I know that the first few weeks of November were hard as we navigated both expected and unexpected outages and challenges. Yes, there were frustrations (I still may shudder for a moment when I hear about a debit card not working), but I also know that there were many times that we were able to turn that into opportunities to do better, to be creative and serve our members with the sole goal of making things right. Some of that temporary pain was replaced by incredible possibility: we can now offer a world-class digital experience, with things like near-instant Snap (Remote) Deposit, Card Control, Debit Card Round-Up, ACH Now, and much more, right at your fingertips on your smartphone or computer. The upgrade also placed us in a better strategic and financial position, making sure that we will be here as your Credit Union for years to come.

As I look forward to that future, I see many exciting things on the horizon. Soon you will see instant-issue debit cards in our branches, meaning no more waiting for the post office to deliver that “plain white envelope”; also, our recently-launched Tech Squad is a specialized team ready to help you with all of our digital services. The Board of Directors and our Top Leadership Team recently participated in the 2023 Strategic Planning Session. The focus for the next three years will be Asset Management; Member Experience; Membership Growth; Product and Service Delivery; and Succession Planning. We are very excited about the next three years. We will continue to remain dedicated to the financial well-being of our members and community.

As always, I welcome your feedback and invite you to share with me your thoughts, either tonight at the Annual Meeting, by phone at (724) 261-3647 or by email at mlavelle@pheplefcu.org.

Once again, thank you for joining us tonight.

Sincerely,

Maria A. LaVelle
Chief Executive Officer



Your Pheple FCU Staff at our 2022 Annual Holiday Party

Letter from the Board Chairman

Dear Fellow Credit Union Members,

The past year the credit union experienced extreme growth in loans to members of \$10.6 million and a slight increase in shares/deposits of \$5.8 million. The credit union had a net loss of \$100K in 2022.

I would like to thank my fellow Directors and Supervisory Committee. They willingly volunteer their time and knowledge, and are deeply committed to the success of the credit union. We will continue to remain diligent and focused on making decisions that will position our credit union for ongoing profitability and stability in the future.

I would especially like to thank Maria and our staff for everything they do on a regular basis and their extraordinary efforts in this past year. We could not have done it without their dedication. Thanks also to you, the members, for joining us today and for your ongoing support of the credit union.

Sincerely,

Kim Stawicki

Chairman

Supervisory Committee Report

McKeever Varga and Senko performed an independent full financial audit of Pheple Federal Credit Union. The scope of this review was the period of January 1, 2022 through December 31, 2022. The agreed upon procedures were conducted in accordance with the guidelines established by the American Institute of Certified Public Accountants and the Supervisory Committee Manual for Federal Credit Unions, as set forth on Form FCU 701, Supervisory Committee Annual Audit Report.

Findings and recommendations made by the McKeever Varga and Senko will be evaluated and implemented. Loan documentation and meeting minutes of the board and loan officers were also examined.

Respectfully submitted,

Cindy Loughran, Chairperson
Kathleen Ritenour, Member

Ronald Hasnauer, Member
Dawnice Berg, Member



Branch Locations

Eastgate Plaza

5142 ROUTE 30 SUITE 105
GREENSBURG, PA 15601

Penn Valley Plaza

1075 HARRISON CITY EXPORT RD
JEANNETTE, PA 15644

Willow Crossing

708 STATE ROUTE 119
GREENSBURG, PA 15601

The Vault by Pheple FCU

WCCC STUDENT
ACHIEVEMENT CENTER
145 PAVILION LANE
YOUNGWOOD, PA 15697

Administration Office

230 THEOBOLD AVENUE
GREENSBURG, PA 15601

#PeopleHelpingPeople



3RD GRADE AUTHOR VISIT

We brought author Floyd Stokes to local third-grade classes to read his book "Save Day" about our award-winning Financial Literacy program. After Mr. Stokes answered questions about being an author, each student got their own copy of "Save Day" to take home.



FINANCIAL REALITY FAIR

Junior students at Penn Trafford High School got a dose of "reality" when they were tasked with choosing a career and then building a budget by visiting various booths covering everything from housing and transportation to entertainment, clothing, and pets.

RANDOM ACTS OF KINDNESS

We stocked several community food pantries with dry goods for Random Acts of Kindness Day 2022.



DISCOVERY DAYS Local fifth-grade students joined us and community business members to explore the various career options available to them in our local area.



WESTERN PA DIAPER BANK

Our branches serve as diaper collection points and our team regularly volunteers sorting and packing diapers.



#PeopleHelpingPeople



BLACKBURN CENTER WALK-A-MILE IN HER SHOES We sold “red high heels” in our branches and walked to support the end of gender-based violence in our community.



BREAKFAST WITH THE EASTER BUNNY AND SANTA CLAUS Our youngest members joined us to celebrate the holidays with breakfast, crafts, and lots of fun!



KISKI AREA CASH STASH GRAND OPENING We opened our third student-run high school branch in December!



HEROES NEVER ALONE This amazing organization helps local veterans. We rolled up our sleeves to help remodel and paint two homes on their property that were donated to vets and their families. We also donated a bench to put alongside their reflecting pond and helped with other projects.



JEANNETTE SCHOOLS THANKSGIVING & CHRISTMAS DINNERS We began a great partnership with Jeannette City Schools this year!

Annual Meeting Minutes

Pheple Federal Credit Union · The 71st Annual Meeting was held at Giannilli's II on May 18, 2022..

Call to Order: The meeting was brought to order at 6:45pm. Board Chairman Kim Stawicki conducted the meeting.

Roll Call: It was ascertained that a quorum was present. There were 109 members in attendance.

Reading of Minutes: Copies of the annual reports were distributed to all members present. A motion was made to approve the Minutes of last year's Annual Meeting. Motion seconded and approved.

Annual Reports: During the last year, the Board of Directors held twelve regular monthly meetings to conduct the business of the credit union. Copies of the following reports were given to all meeting attendees: Director, Treasurer, Loan Review Committee, and Supervisory Committee.

A motion was made, seconded, and approved to dispense with the reading of the Director's Report, the Treasurer's Report, the Loan Review Committee Report, and the Supervisory Committee Report.

Old Business: There was no old business.

New Business:

- A motion to pay the annual meeting expenses was made, followed by a second, approved by all.
- Maria A. LaVelle, CEO, recapped recent and upcoming events: the year 2021 & 2022, upcoming system upgrade happening on November 1, 2022, also Video Banking. There will be a breakfast for Legacy Members on September 14, 2022 at Lakeview.

Maria thanked her staff for their efforts and dedication.

- Kathleen Ritenour announced the nominees for the Board and Supervisory Committee. He reminded everyone that the Bylaws eliminate nominations from the floor when there is one nominee for each position to be filled. The unopposed nominees were:

Jim Antoniono	Board Member	3 Years	Returning
Daniel Stevens	Board Member	3 Years	Returning
Kathleen Ritenour	Supervisory Comm.	3 Years	Returning

Kathleen declared each nominee elected by general consent. Anyone interested in running for a Board or Committee position in the future should contact the credit union or any Board or Supervisory Committee member.

Other Business: There was no other business

Adjournment: There was a motion from the floor to adjourn at 7:45pm.

Respectfully submitted,

Kathleen Ritenour, Board Secretary

Nominating Committee Report

The new nominees for the Board and Supervisory Committee: Reminder that the Bylaws eliminate nominations from the floor when there is only one nominee for each position to be filled. The unopposed nominees were:

Carl Bartolomucci – 3 year term *returning*
Kim Stawicki – 3 year term *returning*

Kathleen Ritenour – 3 year term *returning*
Gregory Walker – 3 year term *returning*

Supervisory Committee 3 years – appointed by Board of Directors

Ronald Hasnauer

Each nominee is declared elected by general consent.

Anyone interested in running for a Board or Committee position in the future should contact the credit union or any Board or Supervisory Committee member.

Nominating Committee

Daniel Stevens, Chairman

Kathleen Ritenour

Lyzona Marshall

2022 Report of Operations

Report of Operations of Pheple Federal Credit Union
Statement of Financial Condition As of December 31, 2022

Assets	End of this Period
Total Loans	\$90,458,212
Less: Allow for Loan Loss	(355,160)
Net Loans	90,103,052
Cash	3,753,201
Investments:	
Held To Maturity	
Certificates of Deposit	6,481,000
Federal Securities	9,782
Available for Sale	
SBA Pools	8,226,407
Bank Notes	500,219
Federal Agencies	966,556
Unrealized Gain/Loss	(422,973)
Total Investments:	15,760,991
Accrued Income	351,971
Prepaid & Deferred Exp	188,593
NCUSIF Deposit	996,971
Fixed Assets	941,415
Other Assets	3,775,449
Total Assets	\$115,871,643

Statistical Report as of December 31, 2022

	#	Amount
Delinquent Loans:		
a. 2 to less than 6 mo.	68	\$650,837
b. 6 to less than 12 mo.	13	108,409
c. 12 months and over	9	138,772
d. Subtotal	90	898,018
Total Loans		\$90,458,212

Liabilities & Equity	End of this Period
Accounts Payable	\$(145,034)
Dividends Payable	-
Taxes Payable	1,604
Other Liabilities	130,723
Total Borrowings	2,100,921
Total Liabilities	2,088,214
Shares	103,643,940
Regular Reserves	802,347
Equity acquired in merger	3,447,755
Undivided Earnings	4,971,343
Net Income (Loss)	(158,982)
Accumulated Unrealized Gain/Loss	(422,973)
Uninsured Secondary Capital	1,500,000
Total Equity	113,783,429
Total Liabilities & Equity	\$115,871,643

	#	Amount
Loans Made:		
Loans made YTD	1,968	\$46,269,687
# Member accts. at end of period	16,443	
Lns Charged off YTD		216,134
Lns Recoveries YTD		54,678

Statement of Income For the Period Ending December 31, 2022

Charter Number # 7297	
Operating Income	
Interest on Loans	\$3,561,944
Income from Investments	262,858
Total Interest Income	3,824,802
Fees and Charges	946,054
Miscellaneous Operating Income	1,094,575
Total Operating Income	\$5,865,431
Operating Expenses	
Compensation	2,023,390
Employee Benefits	359,235
Travel and Conference	43,100
Association Dues	16,461
Office Occupancy Expenses	269,165
Office Operations Expenses	1,599,122
Educational & Promotion Exp.	76,850
Loan Servicing Expenses	254,954
Professional & Outside Services	843,769
Provision for Loan Losses	206,039
Members Insurance	-
Fed'l Supv./Exam Expenses	18,073
Cash Over & Short	253
Interest on Borrowed Money	91,975
Annual Meeting Expense	5,206
Misc. Operating Expenses	22,832
*NCUSIF Stabilization Expense	-
Total Operating Expenses	5,830,424
**Non-Operating Gain (Losses):	
Gain (Loss) on Investments	(495)
Gain (Loss) on Disp. of Assets	(103)
Total Non-Operating Gains/Loss	(598)
Income (Loss) Before Dividends	34,409
Dividends	134,743
Net Income (Loss)	\$(100,334)

Board and Staff

Board of Directors

Kim Stawicki, *Chairman*
Carl Bartolomucci, *Vice Chairman*
Kathleen Ritenour, *Secretary*
Dan Stevens, *Treasurer*

Directors

James Antoniono
Lyzona Marshall
Andrew Reese
Valen Tasser
Gregory Walker

Associate Director

Carlotta Paige

Director Emeritus

Donald Saddler

Supervisory Committee

Cindy Loughran, *Chairperson*
Dawnice Berg
Ronald Hasnauer
Kathleen Ritenour

Top Leadership Team

Maria LaVelle, *Chief Executive Officer*
Linda Stein, *Sr. VP of Community Relations & Marketing*
Kathleen Birkos, *VP of Lending*
Gretchen Davidson, *VP of Operations*
Matthew Senkow, *VP of Finance*

Community Relations & Marketing

Jessi, *Financial Literacy Coordinator*
Kristi, *Financial Literacy Advocate*
Lisa, *Director of Marketing*
Susan, *Director of Community Relations*

Compliance

Dennis, *Compliance Officer*

Deposit Operations & Call Center

Elaine, *Call Center & Cards Manager*
Blanche, *Operations Rep.*
Chelsea, *Call Center Rep.*
Cheryl, *Call Center Rep.*
Christi, *Sr. Deposit Operations Specialist*
Tracy, *Deposit Operations Specialist*

Finance

Donna, *Finance Specialist*

Human Resources

Kirsten, *Team Development & Recruitment Coordinator*

Information Systems

Eric, *Director of Information Systems*
Ashly, *Information Systems Tech.*

Lending & Member Solutions

Sherrri, *Consumer Lending Manager*
Amber, *Lending Specialist*
Denise, *Real Estate Specialist*
Karen, *Lending Specialist*
Patty, *Member Solution Specialist*
Vicki, *Lending Specialist*

Eastgate Plaza Branch

Ciara, *Branch Manager/DEI Officer*
Anthony, *Member Service Rep. II*
Lance, *Member Service Rep. II*
LeeAnn, *Member Service Rep.*

Penn Valley Plaza Branch

Kathy, *Branch Manager/Culture Officer*
Dawn, *Member Service Rep. II*
Dee, *Member Financial Officer*
Evan, *Member Service Rep.*

Willow Crossing Branch

Stephanie, *Branch Manager/Legacy Advocate*
Jamie, *Member Service Rep.*
Mary Beth, *Member Service Officer*
Krista, *Member Service Rep.*

The Vault by Pheple FCU at WCCC

Nicholas, *Branch Manager*
Anna, *Member Service Rep.*

Warrior Cash Stash Student Tellers

Emma
Kyndal
Luke

Kiski Area Cash Stash Student Tellers

Braden
Cole
Haley